



California High-Speed Rail Authority

Update on Federal Funding



In Partnership with:
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The American Recovery and Reinvestment Act (ARRA) established critical funding support for high-speed rail (HSR) development

- HSR under ARRA and the President's FY 2010 budget request demonstrate that HSR development in the US is a priority
- Legislative and policy foundation includes:
 - ARRA funding of \$8 B for intercity and HSR
 - FY 2010 proposed appropriations \$1 B for HSR
- Funds are available through three separate programs authorized in PRIIA including:
 - Capital Assistance for Intercity Passenger Rail Service (S.301)
 - Congestion Grants (S. 302)
 - High-Speed Rail Corridor Program (S. 501)



On April 16, 2009 President Obama and Secretary LaHood unveiled the Strategic Plan for High Speed Rail funding

- The Strategic Plan proposes three funding tracks:
 - **Track 1 - Projects:** Provide grants to complete individual projects that are “ready to go”
 - **Track 2 - Corridor programs:** develop entire phases or geographic sections of corridor programs that have completed corridor plans and environmental documentation, and have a prioritized list of projects to meet the corridor objectives
 - **Track 3 - Planning:** for planning activities using non-ARRA appropriations

Federal Funding: ARRA eligibility and potential selection criteria



DOT/FRA must issue application guidelines before June 17, 2009.
Criteria expected to include:

- Public Benefits
 - Economic recovery & promotion of transportation goals
- Planning and Project Development
 - Consistent with overall plan for corridor development
 - Demonstrate independent utility
 - Completed PE and environmental work completed
 - Address safety and other federal requirements
- Risk Mitigation: the extent to which the project or corridor addresses critical success factors such as:
 - Fiscal and institutional capacity
 - Financial plans for covering capital and operating costs
 - Commitments from key stakeholders
 - Project management oversight experience and procedures
- Timeliness of achieving benefits

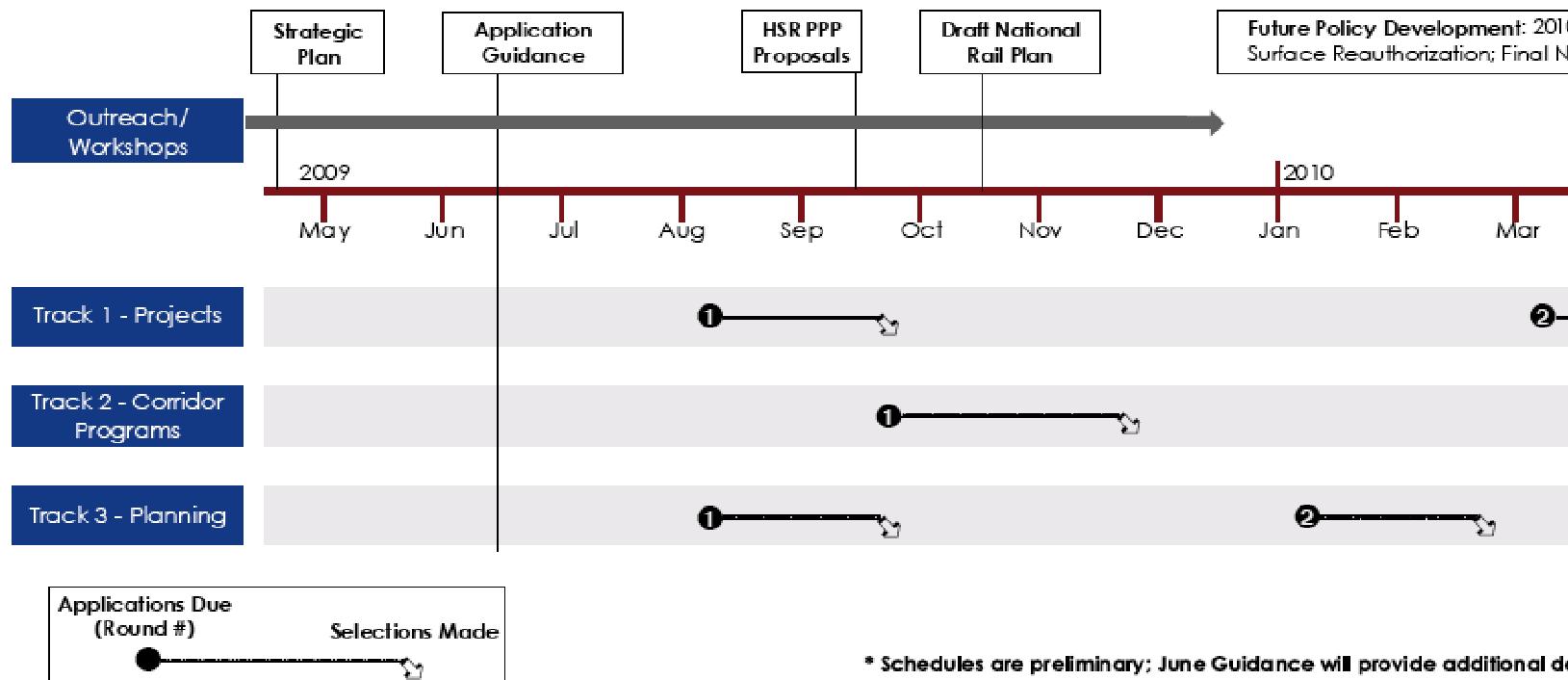


Federal Funding: ARRA eligibility and potential selection criteria



To meet economic stimulus objectives DOT's preliminary timeline allows 45 days for Track 1 applications after application guidance is issued

HSR/IPR Implementation Timeline



Federal Funding: Application Strategy for Appropriated Funds



The Authority's proposed application approach:

- A unified California application approach coordinated by Caltrans will maximize the Authority's prospects for securing ARRA funds
- For capital expenditures, the Authority will provide details to qualify and submit for all the planning, engineering and environmental costs for the full 800 route miles
- Authority's proposals for projects/corridor proposals must meet the following criteria:
 - Included in Phase 1 Anaheim - San Francisco according to Prop 1A, the Board & the 2008 Business Plan
 - Ability to obligate funds by 2012
 - Compliance with federal regulations on environment and safety
 - Meet independent utility criteria as outlined in the Strategic Plan
 - Projects do not prejudice the outcome of project level EIR/EIS

Federal Funding: Application Strategy for Appropriated Funds



Using these criteria, three sections qualify as the sections that can meet requirements for capital expenditures:

<i>Project Level</i> <i>EIR/EIS</i> <i>Complete before</i> <i>2012?</i>	<i>Potential Stimulus</i> <i>Projects</i>
Los Angeles to Anaheim	Yes
San Francisco to San Jose	No
Merced to Bakersfield	No

Federal Funding: Application Strategy for Appropriated Funds



Given the short time frame, the following timeline is recommended:

	June	July	August-September
Track 1: Projects	<p>List of shovel ready projects within primary corridors</p> <p>Draft internal selection criteria</p>	<p>Based on FRA's Interim Guidance, together with the Authority's approved internal selection criteria, review and action on staff recommended proposed projects for inclusion in the CA application</p>	Submit application
Track 2: Corridors	Develop timeline for implementation	Further develop corridor and project approach informed by FRA Interim Guidance	Review and action on staff recommended corridor development application approach for submission in October
Track 3: Planning (with non-ARRA funds)	Develop planning funding request	Staff will present a planning funding request for Board's review and action to be included in CA Round 1 Application	Submit application

Federal Funding: Challenges



The Authority should consider the following challenges:

- Authority must assemble proposed application quickly
- Coordination with Caltrans essential
- Strong competition anticipated from other corridors
- Complementary advocacy strategy required
- Dedicated HSR funding source needed beyond ARRA